

# Tech giants look to Iowa for data centers

<http://www.usatoday.com/story/tech/2013/04/22/facebook-data-center-iowa/2102935/>

## Facebook is expected to announce new center, while Google wants to expands its operations there.

Donnelle Eller and Marco Santana, The Des Moines Register 11 p.m. EDT April 22, 2013

DES MOINES -- Two tech heavy-hitters — Facebook and Google — [are weighing capital investment in Iowa](#) that could push up to \$2 billion into the state, a move that could create dozens of technology and construction jobs.

Facebook is expected to announce Tuesday that it will build a new Altoona, Iowa, data center that could grow to \$1.5 billion in investment. The company has invited state leaders to a news conference that's scheduled in Altoona. A wind energy project also could be tied to the announcement.

Separately, Google wants to expand its data center operations in Council Bluffs, Iowa, a \$400 million boost that would bring the online search company's total investment in Iowa to about \$1.3 billion, documents show.

"The magnitude of those investments is unprecedented," said John Boyd Jr. of the Boyd Co., a New Jersey-based consultant that helps companies locate data centers, among other projects. "The only state that mirrors that investment is Washington state," where Dell, Microsoft, Yahoo and other companies have been drawn to the area's low-cost hydroelectric power.

"That's exciting news," said Scott Norvell, chief executive of Master Builders of Iowa, a statewide construction group. "They have the potential to create a lot of construction jobs," especially when combined with other projects in the state.

Landing data centers from tech giants such as Google and Facebook — along with Microsoft in West Des Moines — is the "economic development holy grail," said Boyd, the New Jersey site selector.

Data centers serve as storage space for digital information and data, including e-mails, videos or, in Facebook's case, status updates and photos. The number of data centers has exploded during the last several years as more companies collect data and use the storage space.

Companies are attracted to Iowa for its inexpensive, reliable energy, good access to high-speed fiber, few natural disasters and available land. In 2007, lawmakers sweetened Iowa's attraction, agreeing to provide sales- and use-tax exemptions on purchases of computers, equipment and electricity necessary to run data centers.

The [Iowa Economic Development Authority Board](#) is expected to consider incentives for both data center projects Tuesday.

"The magnitude of those investments is unprecedented. "

— John Boyd Jr., Boyd Co., a New Jersey-based consultant

Google already has an existing \$600 million campus that employs about 130 workers in Council Bluffs. The company will seek to amend an existing development contract for a \$300 million data center already under construction to \$700 million. Google is asking the economic development board for \$16.8 million in a refund of sales tax on computers, building materials and other goods used to construct a facility. The state earlier agreed to a sales tax refund up to \$9.6 million.

The board's agenda also includes an incentives award for a project called Siculus Inc., believed to be Facebook.

Few details were available Monday about the Altoona project, where city leaders have given a green-light for three data centers, up to 1.4 million square feet of space that could cost a total of \$1.5 billion. The first two phases — \$500 million each — are expected to be announced Tuesday, lawmakers have told the *Des Moines Register*.

Tina Hoffman, a spokeswoman for the economic development agency, said in an e-mail that details about the project were not available Monday because the state was "continuing to work with the company to finalize some elements."

The state agency typically provides details on a company's plan for capital investment, job creation and pay before meeting to consider incentives. The state perks can include loans, grants, job training assistance and tax credits.

State and local economic development leaders have repeatedly declined to talk about the Altoona project. Facebook, the Menlo Park, Calif.-based social networking company, did not return e-mails seeking comment.

## Microsoft To Build New Data Center In Iowa

**Kourtney Liepelt, Associated Press** April 21, 2014 9:11 AM

<http://seattle.cbslocal.com/2014/04/21/microsoft-to-build-new-data-center-in-iowa/>

<http://www.desmoinesregister.com/story/news/2014/04/19/microsoft-project-alluvion-big-data-boom-west-des-moines/7900923/>

**WEST DES MOINES, Iowa (AP)** — Microsoft will begin construction on a new [data center](#) in West Des Moines, state and local officials announced Friday, bringing the company's total investment in Iowa to nearly \$2 billion, the largest in the state to date.

Gov. Terry Branstad joined with local officials to announce Microsoft's so-called "Project Alluvion," which is expected to total more than \$1.1 billion and create more than 80 full-time jobs. West Des Moines Mayor Steve Gaer said construction will happen over the next four or five years.

A [data](#) center completed in 2010 resulted in about a \$900 million investment from the company.

"The efforts that we put in developing a relationship with Microsoft has really led to today's announcement and the significant investment in our community in central Iowa and in our state," said Clyde Evans, West Des Moines' director of community and economic development.

The area surrounding the new center will undergo infrastructure upgrades — including improvements to nearby roads and water and sewer lines — in an effort to prep the 2,000-to-3,000-acre space for other potential industrial, commercial and residential opportunities.

About \$20 million in incentives through the state's [High Quality](#) Jobs program has been provided to assist Microsoft carry the project out, Evans said. The program gives tax credits to eligible businesses to offset costs when building or expanding a facility in Iowa, and West Des Moines is set to match the offered rebate.

"We look at this as a partnership where the state does provide assistance but we also see significant benefit not only to the taxpayers here, in the school districts and the county and the city, but also to the people of Iowa in terms of the [quality](#) of jobs and the other economic opportunities it opens up," Branstad said.

Gaer said the hope is [businesses](#) that directly service or support Microsoft or other data centers begin to develop in the area. Gaer also estimated an economic impact of \$8 million each year in property taxes for the city, county and school districts once the overall project is complete.

Branstad said Iowa's central location makes it an ideal location for Microsoft and other companies that have recently opened [data centers](#). Google opened a data center in Council Bluffs in 2009, and announced in 2012 its plans to expand it. Facebook is building a data center in Altoona that should open early next year.

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## **Articles and Video Questions**

### **Article**

- 1.) How much is Facebook planning to invest in Altoona for its data centers? How many data centers are planned?
- 2.) What do the data centers store for Facebook?
- 3.) Where do Google and Microsoft currently have data centers in Iowa.

4.) What impact will the latest data center being built by Microsoft have on the community?

4.) Why are these technology companies interested in building data centers here. List at least 3 reasons.

**Video - Facebook Data Center**

<http://www.youtube.com/watch?v=Y8Rgje94iI0>

1.) What is the average age of the Facebook employee?

2.) How many users are monitored and supported by 1 engineer?

3.) What is one of Facebook's biggest difficulties?

4.) How does the Facebook Data Center take precaution in case of a loss of power?

5.) What do they use to regulate the temperature in the data center?

6.) How many Terabytes does each server consist of?

7.) How many people have access to the internet around the world?